

Appropriations Committee

Public Testimony of the Connecticut Women's Education and Legal Fund (CWEALF)
Proposed FY 24-25 Budget for GGA and GGB Agencies
Submitted by: Janée Woods Weber, Executive Director
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The Connecticut Women's Education and Legal Fund (CWEALF) is a statewide, nonprofit organization that uses a justice and equity lens to advocate for under-resourced, marginalized women and girls in Connecticut. For nearly 50 years, CWEALF has been a leading advocate for policies that advance women's economic security, combat discrimination, and increase gender equity in Connecticut.

Through CWEALF's Legal Education Program, we provide information, education, referrals, and bilingual advocacy to the Connecticut community to ensure that all individuals in our state have access to legal justice. The majority of CWEALF's clients are low-income women with at least one dependent who earn incomes less than \$29,000 per year.

CWEALF strongly supports and urges the Appropriations Committee to include funding for the state's landmark Baby Bonds program in your final budget legislation.

In 2021, Connecticut became the first state in the nation to adopt a Baby Bonds program, which will deposit up to \$3,200 into the CT Baby Bond Trust invested by the Office of the Treasurer for every baby whose birth is covered by HUSKY. Beginning at age 18, the young person can use that money to pay for higher education expenses, to put towards purchasing a home in Connecticut, to invest in a business in Connecticut or to save for retirement.

The COVID-19 pandemic exacerbated severe systemic and institutional inequities faced by low-income families that existed long before the crisis struck our state. Generations of discrimination and poor policy decisions have deepened wealth inequality and severely impeded the ability of families, especially Black families and other families of color, to achieve financial freedom and economic security.

Racism and discrimination often limit the ability of a family to generate wealth throughout their lives, and whether or not they are able to pass it down to their children. The average white family has five times the wealth of the average Latinx family and eight times the wealth of the average Black family. Generational wealth plays a significant role in how families continue to earn money: it is easier to earn more income when you have already acquired some.

Connecticut is one of the most unequal states in the nation with the fifth largest wealth gap, trailing only Washington D.C., Wisconsin, Minnesota and Iowa.¹ For example, in Hartford, our state's Capital, the median household income is \$33,841.00. A five-minute drive down the road to West Hartford - one of the top 50 wealthiest towns in the state - and the median household income is \$95,298.00.² The difference in location not only affects the income generated, but also employment and education opportunities, food and grocery options, and other community resources that are critical to the wellbeing of Connecticut residents.

Connecticut's Baby Bonds program will help close Connecticut's wealth gap by creating endowments for children who are born into poverty. The structure of permissible uses built into the program ensures that money will be invested in assets that build wealth, including post secondary education, home ownership, or entrepreneurship.

Wealth is a safety net that keeps a life from being derailed by temporary setbacks and the loss of income. When state leaders passed Baby Bonds legislation in 2021, they took an important step forward towards closing the wealth gap by confronting the problem head-on; investing in our youth and providing them with the resources they need to become financially independent and secure.

Connecticut can and should fully fund this program as a critical strategy that combats existing racial inequities that affect opportunities for families to build generational wealth in the state. Working toward eradicating extreme wealth and opportunity inequality, especially considering the generational impact of racism and white supremacy, requires that we as a state put our money to work for what we say we value. If we value our children, especially our children who are born into poverty, then we are required to pursue the highest and best use of our resources to ensure the promise of their futures. All of us, collectively as a state, will be better off if we do.

CWEALF encourages this Committee to make a wise investment in the futures of our most impacted young people by fully funding Baby Bonds.

¹ Connecticut Has Among Nation's Largest Wealth Gap by Race and Ethnicity. (2022). Retrieved from: <https://ctbythenumbers.news/ctnews/connecticut-has-among-nations-largest-wealth-gap-by-race-and-ethnicity#:~:text=Connecticut%20has%20among%20the%20nation's,larger%20gaps%20in%20their%20populations>.

² "How Much Connecticut Households Make Per Year: census. (2018). Retrieved from: <https://patch.com/connecticut/across-ct/heres-how-connecticut-ranks-income-nationally>